

## CIN : U40109DI 2014GOI269652

### Balance Sheet as at 31<sup>st</sup> March, 2021

(₹ in Lakh)

Particulars		Note	As at 31st March 2021	As at 31st March 2020
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant & equipment	<u>4</u>	1,61,230.00	1,65,924.92
	(b) Intangible assets	<u>5</u>	814.23	839.54
	(c) Other non-current assets	<u>6</u>	2,014.40	79.22
			1,64,058.63	1,66,843.68
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	<u>7</u>	465.99	467.09
	(b) Financial Assets			
	(i) Trade receivables	<u>8</u>	3,097.04	4,312.81
	(ii) Cash and cash equivalents	<u>9</u>	5,057.29	215.68
	(iii) Other current financial assets	<u>10</u>	5,964.76	3,362.25
	(c) Other current assets	<u>11</u>	299.25	-
			14,884.33	8,357.83
	<b>TOTAL ASSETS</b>		<b>1,78,942.96</b>	<b>1,75,201.51</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	<u>12</u>	32,210.00	31,950.00
	(b) Other Equity	<u>13</u>	6,246.59	3,898.65
			38,456.59	35,848.65
<b>2</b>	<b>Liabilities</b>			
<b>(i)</b>	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	<u>14</u>	-	1,26,950.00
	(b) Deferred tax liabilities (Net)	<u>15</u>	10,174.04	2,017.03
			10,174.04	1,28,967.03
<b>(ii)</b>	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Trade payables	<u>16</u>		
	(a) total outstanding dues of micro enterprises and small enterprises		-	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises.		9.56	32.77
	(ii) Other current financial liabilities	<u>17</u>	1,30,298.88	10,310.14
	(b) Other current liabilities	<u>18</u>	2.42	41.34
	(c) Provisions	<u>19</u>	1.47	1.58
	(d) Current tax liabilities (net)	<u>20</u>	-	-
			1,30,312.33	10,385.83
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,78,942.96</b>	<b>1,75,201.51</b>

For Shabbir Bohra & Co.,  
Chartered Accountants,  
Firm Regn No. 125441W  
UDIN:-21030887AAAABS6823

**SHABIR**  
BOHRA

Digitally signed by SHABIR ISMAIL,  
BOHRA  
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postalAddress=7856161807522259505d  
b3675625429917ef4caaf9184258992a  
d7f9f86, postalCode=440002,  
st=Maharashtra,  
serialNumber=ce54bdc164236e4f1b1bd  
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b4b7963c1, cn=SHABIR ISMAIL, BOHRA  
Date: 2021.06.08 16:53:53 +05'30

CA Shabbir Ismail Bohra  
Partner  
Mem. No. 030887  
Place : Nagpur

**Purshotta**  
**m Agarwal**

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Purshottam Agarwal  
Date: 2021.06.08  
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**Purshottam Agarwal**  
(Director )  
DIN: 08812158  
Place: Gurugram

**Seema Gupta** Digitally signed by Seema Gupta  
Date: 2021.08.08 14:21:48 +05'30'

**Seema Gupta**  
(Chairperson)  
DIN: 06636330  
Place: Gurugram

**ARUNASIS BASU** Digitally signed by ARUNASIS BASU  
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**A. Basu**  
(Chief Financial Officer)  
Place: Nagpur

Date: 08.06.2021

**POWERGRID PARLI TRANSMISSION LIMITED**

CIN : U40109DL2014GOI269652

B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021**

(₹ in Lakh)

Sl. No.	Particulars	Note	For the Year ended 31st March 2021	For the Year ended 31st March 2020
I	Revenue From Operations	<a href="#">21</a>	35,414.76	32,729.38
II	Other Income	<a href="#">22</a>	625.36	318.79
III	Total Income (I+II)		<b>36,040.12</b>	<b>33,048.17</b>
IV	<b>EXPENSES</b>			
	Finance Costs	<a href="#">23</a>	9,948.15	11,093.01
	Depreciation and Amortization Expenses	<a href="#">24</a>	4,760.88	9,679.97
	Other Expenses	<a href="#">25</a>	1,477.65	1,073.18
	<b>Total Expenses (IV)</b>		<b>16,186.68</b>	<b>21,846.16</b>
V	Profit/(Loss) Before Tax (III- IV)		19,853.44	11,202.01
VI	Tax Expense:			
	(1) Current tax - Current Year		-	1,957.22
	- Earlier Years		(1,957.22)	-
	(2) Deferred Tax		8,157.01	1,322.58
	<b>Total Tax Expense</b>		<b>6,199.79</b>	<b>3,279.80</b>
VII	Profit for the Period (V-VI)		<b>13,653.65</b>	<b>7,922.21</b>
VIII	Other Comprehensive Income		-	-
IX	Total Comprehensive Income for the period (VII+VIII)		<b>13,653.65</b>	<b>7,922.21</b>
X	Earnings per Equity Share (Par Value ₹ 10 each)			
	(1) Basic (₹)		4.25	2.96
	(2) Diluted (₹)		4.25	2.96

The accompanying Notes (1 to 45) form an Integral Part of Financial Statements

As per our report on even date.

For &amp; On Behalf of The Board Of Directors.

For Shabbir Bohra &amp; Co.,

Chartered Accountants,

Firm Regn No. 125441W

UDIN:-21030887AAAABS6823

**SHABBIR****ISMAIL****BOHRA**

CA Shabbir Ismail Bohra

Partner

Mem. No. 030887

Place : Nagpur

**Seema Gupta**  
 Digitally signed by Seema Gupta  
 Date: 2021.06.08 14:22:16 +05'30'  
 Seema Gupta  
 (Chairperson)  
 DIN: 06636330  
 Place: Gurugram

**Purshotta m Agarwal**  
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 Date: 2021.06.08 14:12:19 +05'30'

**Purshottam Agarwal**  
 (Director)  
 DIN: 08812158  
 Place: Gurugram

**ARUNASI S BASU**  
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 Date: 2021.06.08 13:50:14 +05'30'

**A. Basu**  
 (Chief Financial Officer)  
 Place: Nagpur

Date: 08.06.2021





## **Notes to Financial Statements**

### **1. Corporate & General Information**

POWERGRID Parli Transmission Limited ("the Company") is a public company domiciled and incorporated in India under the provisions of Companies Act and a wholly owned subsidiary of Power Grid Corporation of India Limited as at end of reporting period. The registered office of the Company is situated at B-9, Outab Institutional Area, Katwaria Sarai, New Delhi-110 016, India.

The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

The Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2021 were approved for issue by the Board of Directors on 08<sup>th</sup> June, 2021.

### **2. Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

#### **2.1 Basis of Preparation**

##### **i) Compliance with Ind AS**

The financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 (to the extent notified), The Companies Act, 1956 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

##### **ii) Basis of Measurement**

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (Refer Note no. 2.11 for accounting policy regarding financial instruments).

##### **iii) Functional and presentation currency**

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

##### **iv) Use of estimates**

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the

revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

#### v) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.
- A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

The Company recognizes twelve months period as its operating cycle.

## **2.2 Property, Plant and Equipment**

### **Initial Recognition and Measurement**

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection component is not available, the estimated cost of similar new parts/inspection component is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

### **Subsequent costs**

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

### **Derecognition**

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

## **2.3 Capital Work-In-Progress (CWIP)**

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of office and Projects, directly attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

## **2.4 Intangible Assets and Intangible Assets under development**

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software(which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure on development shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognised as an expense.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

## **2.5 Depreciation / Amortisation**

### **Property, Plant & Equipment**

Depreciation/Amortisation on the items of Property, Plant and Equipment related to transmission business is provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except for the following items of property, plant and equipment on which depreciation is provided based on estimated useful life as per technical assessment and considering the terms of Transmission Service Agreement entered with Long Term Transmission Customers.

<b>Particulars</b>	<b>Useful life</b>
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years
c. Buildings (RCC frame structure)	35 years
d. Transmission line	35 years
e. Substation Equipment	35 years



Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business.

Mobile phones are charged off in the year of purchase.

Residual value is considered as 5% of the Original Cost for all items of Property, Plant and Equipment in line with Companies Act, 2013 except for Computers and Peripherals and Servers and Network Components for which residual value is considered as Nil.

Property, plant and equipment costing ₹5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively.

Depreciation on additions to/deductions from Property, Plant and Equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The residual values, useful lives and methods of depreciation for items of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, wherever required.

#### **Right of Use Assets:**

Right of Use assets are fully depreciated from the lease commencement date on a straight line basis over the lease term.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower. Leasehold land acquired on perpetual lease is not amortized.

#### **Intangible Assets**

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

Afforestation charges are amortized over thirty-five years from the date of capitalization of related transmission assets following the straight line method, with Nil Residual Value.

Amortisation on additions to/deductions from Intangible Assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The amortization period and the amortization method for intangible assets is reviewed at each financial year-end and are accounted for as change in accounting estimates in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

## **2.6 Borrowing Costs**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

## **2.7 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **2.8 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## **2.9 Inventories**

Inventories are valued at lower of the cost, determined on weighted average basis or net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

## **2.10 Leases**

Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

### **i) As a Lessor**

A lease is classified at the inception date as a finance lease or an operating lease.

#### **a) Finance leases**

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

Net investment in leased assets is recorded at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

The interest element of lease is accounted in the Statement of Profit and Loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment.

#### **b) Operating leases**

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

### **ii) As a Lessee**

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the Company recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.7 on "Impairment of non-financial assets".

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 2.6 on "Borrowing costs".

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

## **2.11 Financial instruments**

**A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.**

### **Financial Assets**

Financial assets of the Company comprise cash and cash equivalents, bank balances, security deposit, claims recoverable etc.

### **Classification**

The Company classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

## Subsequent measurement

**Debt Instruments at Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Debt Instruments at Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

## De-recognition of financial assets

A financial asset is derecognized only when

- i) The right to receive cash flows from the asset have expired, or
- ii) a) The company has transferred the rights to receive cash flows from the financial asset (or) retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients and  
b) the company has transferred substantially all the risks and rewards of the asset (or) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognised in the statement of Profit and Loss.

## Impairment of financial assets:

For trade receivables and unbilled revenue, the company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 -month ECL.

## Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans and borrowings, trade and other payables.

## **Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are directly attributable to the issue of financial liabilities.

### **Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognized.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

### **De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **2.12 Foreign Currency Translation**

### **(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency.

### **(b) Transactions and balances**

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-Monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of initial recognition of the non-monetary prepayment asset or deferred income liability, or the date that related item is recognized in the financial statements, whichever is earlier. In case the transaction is recognized in stages, then transaction date is established for each stage. Exchange differences arising from foreign currency translation are recognized in the Statement of Profit and Loss.

## **2.13 Income Tax**

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

### **Current income tax**

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the country where the company operate and generate taxable income and any adjustment to tax payable in respect of previous years..

### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

## **2.14 Revenue**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

Amounts disclosed as revenue are net of returns, trade allowances, rebates.

### **2.14.1 Revenue from Operations**

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees (RPC) and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers. Where certification by RPCs is not available,

incentive/disincentive is accounted for on provisional basis as per estimate of availability by the company and differences, if any, is accounted upon certification by RPCs.

#### **2.14.2 Other Income**

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap and conductor scrap are accounted for as and when sold.

Insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

#### **2.15 Dividends**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

#### **2.16 Provisions and Contingencies**

##### **a) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

##### **b) Contingencies**

Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events



not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

## **2.17 Share capital and Other Equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self-insurance reserve is created @ 0.12% p.a. on Original Gross Block of Property, Plant and Equipment and value of inventory except ROU assets and assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self Insurance Reserve" under 'Other Equity'.

## **2.18 Prior Period Items**

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

## **2.19 Earnings per Share**

Basic earnings per share is computed using the net profit or loss for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

## **2.20 Statement of Cash Flows**

Statement of Cash Flows is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flows'.

## **3 Critical Estimates and Judgments**

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment while applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

**The areas involving critical estimates or judgments are:**

Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Company reviews at the end of each reporting date the useful life of plant and equipment and are adjusted prospectively, if appropriate.

Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability of trade receivables and unbilled revenue, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. As the company's revenue is based on CERC tariff order and falls under essential services and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

Income Taxes:

Significant estimates are involved in determining the provision for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

**POWERGRID PARLI TRANSMISSION LIMITED**
**Note 4/Property, Plant and Equipment**

(₹ in Lakh)

Particulars	Cost					Accumulated Depreciation					Net Book Value	
	As at 1st April 2020	Additions during the period	Sale/ Disposal	Adjustment during the period	As at 31st March 2021	As at 1st April 2020	Additions during the period	Sale/ Disposal	Adjustment during the period	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
<b>Land</b>												
Freehold	413.91	-	-	-	413.91	-	-	-	-	-	413.91	413.91
<b>Buildings</b>												
a) Sub-Stations & Office	376.23	36.43	-	-	412.66	16.76	27.33	-	-	44.09	368.57	359.47
<b>Plant &amp; Equipment</b>												
a) Transmission	1,52,827.25	-	-	42.76	1,52,784.49	14,801.25	3,931.03	-	-	18,732.28	1,34,052.21	1,38,026.00
a) Substation	30,123.25	46.98	-	-	30,170.23	3,014.95	774.14	-	-	3,789.09	26,381.14	27,108.30
Workshop & Testing Equipments	4.89	-	-	-	4.89	0.50	0.13	-	-	0.63	4.26	4.39
Office equipment	13.58	-	-	-	13.58	0.73	2.94	-	-	3.67	9.91	12.85
<b>Total</b>	<b>1,83,759.11</b>	<b>83.41</b>	<b>-</b>	<b>42.76</b>	<b>1,83,799.76</b>	<b>17,834.19</b>	<b>4,735.57</b>	<b>-</b>	<b>-</b>	<b>22,569.76</b>	<b>1,61,230.00</b>	<b>1,65,924.92</b>

(₹ in Lakh)

Particulars	Cost					Accumulated Depreciation					Net Book Value	
	As at 1st April 2019	Additions during the year	Sale/ Disposal	Adjustment during the year	As at 31st March 2020 (Audited)	As at 01st April 2019	Additions during the year	Sale/ Disposal	Adjustment during the year	As at 31st March 2020 (Audited)	As at 31st March 2020 (Audited)	As at 31st March 2019 (Audited)
<b>Land</b>												
Freehold	413.91	-	-	-	413.91	-	-	-	-	-	413.91	413.91
<b>Buildings</b>												
a) Sub-Stations & Office	376.23	-	-	-	376.23	4.20	12.56	-	-	16.76	359.47	372.03
<b>Plant &amp; Equipment</b>												
a) Transmission	1,50,256.76	2,570.49	-	-	1,52,827.25	6,771.93	8,029.32	-	-	14,801.25	1,38,026.00	1,43,484.83
a) Substation	29,639.60	483.65	-	-	30,123.25	1,426.79	1,588.16	-	-	3,014.95	27,108.30	28,212.81
Workshop & Testing Equipments	4.89	-	-	-	4.89	0.24	0.26	-	-	0.50	4.39	4.65
Office equipment	-	13.58	-	-	13.58	-	0.73	-	-	0.73	12.85	-
<b>Total</b>	<b>1,80,691.39</b>	<b>3,067.72</b>	<b>-</b>	<b>-</b>	<b>1,83,759.11</b>	<b>8,203.16</b>	<b>9,631.03</b>	<b>-</b>	<b>-</b>	<b>17,834.19</b>	<b>1,65,924.92</b>	<b>1,72,488.23</b>

Further Note - The Company owns 27 Hectare (Previous Year 27 Hectare) of Freehold Land amounting to ₹ 413.91/- Lakh (Previous Year ₹ 413.91 Lakh) based on available documentation.

**POWERGRID PARLI TRANSMISSION LIMITED**  
**Note 5/ INTANGIBLE ASSETS**

(₹ in Lakh)

Particulars	Cost					Accumulated Amortisation					Net Book value	
	As at 1st April 2020	Additions during the period	Sale/ Disposal	Adjustment during the period	As at 31st March 2021	As at 1st April 2020	Additions during the period	Sale/ Disposal	Adjustment during the period	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Right of Way-Afforestation Expenses	928.75	-	-	-	928.75	89.21	25.31	-	-	114.52	814.23	839.54
<b>Total</b>	<b>928.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>928.75</b>	<b>89.21</b>	<b>25.31</b>	<b>-</b>	<b>-</b>	<b>114.52</b>	<b>814.23</b>	<b>839.54</b>

(₹ in Lakh)

Particulars	Cost					Accumulated Amortisation					Net Book value	
	As at 1st April 2019	Additions during the year	Sale/ Disposal	Adjustment during the year	As at 31st March 2020	As at 1st April 2019	Additions during the year	Sale/ Disposal	Adjustment during the year	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Right of Way-Afforestation Expenses	924.96	3.79	-	-	928.75	40.27	48.94	-	-	89.21	839.54	884.69
<b>Total</b>	<b>924.96</b>	<b>3.79</b>	<b>-</b>	<b>-</b>	<b>928.75</b>	<b>40.27</b>	<b>48.94</b>	<b>-</b>	<b>-</b>	<b>89.21</b>	<b>839.54</b>	<b>884.69</b>

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 6/Other Non-Current Assets

(Unsecured considered Good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Advances Other than for Capital Expenditure</b>		
Security Deposits	8.27	1.75
<b>Advances recoverable in kind or for value to be received</b>		
Advance Tax and Tax Deducted at Source	3,982.64	4,011.34
Less: Current Tax (Refer Note 20)	1,976.51	3,933.87
	2,006.13	77.47
<b>Total</b>	<b>2,014.40</b>	<b>79.22</b>

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 7/Inventories

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
(For mode of valuation refer Note 2.9)		
Components, Spares & Other Spare Parts	462.82	462.89
Loose tools	3.17	4.20
<b>Total</b>	<b>465.99</b>	<b>467.09</b>

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 8/Trade Receivables

(₹ in Lakh)

Particulars		As at 31st March 2021	As at 31st March 2020
<b>Trade Receivables - Unsecured*</b>			
Considered Good	3,097.04		4,312.81
Credit Impaired	4.66		
		3,101.70	
Less: Loss Allowance		4.66	
<b>Total</b>		<b>3,097.04</b>	<b>4,312.81</b>

\* 1. Includes receivables from various DICs through CTU

2. Refer Note 43 for disclosure as per Ind AS 115 'Revenue From Contract With Customers'.

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 9/Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Balance with Banks		
-In Current accounts	20.78	215.68
-In term deposits (with maturity less than 3 months)	5,036.51	-
<b>Total</b>	<b>5,057.29</b>	<b>215.68</b>



# POWERGRID PARLI TRANSMISSION LIMITED

## Note 10/Other Current Financial Assets

(Unsecured considered Good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Unbilled Revenue *	5,964.71	3,362.23
Others Receivable	0.05	0.02
<b>Total</b>	<b>5,964.76</b>	<b>3,362.25</b>

\* 1. Unbilled Revenue includes Transmission Charges for the month of March 2021 in the Financial Year amounting to ₹ 5183.16 Lakhs (Net of Provision for Rebate) (Previous Year ₹ 2748.34 Lakhs) , Transmission Incentive of ₹ 709.19 Lakhs (Previous Year ₹ 555.41 Lakhs) and Surcharge of ₹ 72.36 Lakhs (Previous Year ₹ 58.48 Lakhs) for the Period ended March-2021 to be billed in financial year 2021-22.

2. Unbilled Revenue includes revised Tariff due to increased capital cost because of Change in Law. Refer Note 21 Revenue from Operations for disclosure of Revised Tariff due to increased capital cost because of Change in Law.

Refer Note 43 for disclosure as per Ind AS 115 'Revenue From Contract With Customers'.

## POWERGRID PARLI TRANSMISSION LIMITED

### Note 11/Other Current Assets

(Unsecured considered Good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid Insurance Premium	299.25	-
<b>Total</b>	<b>299.25</b>	<b>-</b>

Refer note no 35 for disclosure on Related party transactions.

**POWERGRID PARLI TRANSMISSION LIMITED**  
**Note 12/Equity Share capital**

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Equity Share Capital</b>		
<b>Authorised</b>		
35,00,00,000 (Previous Year 35,00,00,000) Equity Shares of ₹ 10/- each at par	35,000.00	35,000.00
<b>Issued, subscribed and paid up</b>		
32,21,00,000 (Previous Year 31,95,00,000) Equity Shares of ₹10/- each at par fully paid up	32,210.00	31,950.00
<b>Total</b>	<b>32,210.00</b>	<b>31,950.00</b>

**Further Notes:**

1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

Particulars	For the Year ended 31st March 2021		For the Year ended 31st March 2020	
	No. of Shares	(₹ in Lakh)	No. of Shares	(₹ in Lakh)
Shares outstanding at the beginning of the period	31,95,00,000	31,950.00	22,85,00,000	22,850.00
Shares Issued during the period	26,00,000	260.00	9,10,00,000	9,100.00
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the period	<b>32,21,00,000</b>	<b>32,210.00</b>	<b>31,95,00,000</b>	<b>31,950.00</b>

2) The Company has only one class of equity shares having a par value of ₹ 10/- per share.

3) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.

4) Shareholders holding more than 5% equity shares of the Company :-

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares #	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited	32,21,00,000	100%	31,95,00,000	100%

# Out of 32,21,00,000 Equity Shares (Previous Year 31,95,00,000 Equity Shares), 6 Equity Shares are Held by 6 Nominees of M/s Power Grid Corporation of India Limited (POWERGRID) jointly with POWERGRID.

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 13/Other Equity

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Reserve &amp; Surplus</b>		
<b><u>(i) Self Insurance Reserve #</u></b>		
Balance at the Beginning of the Year	438.76	218.25
Transfer To Self Insurance Reserve	129.15	220.51
Transfer from self insurance Reserve	567.35	
Balance at the End of the period	0.56	438.76
<b><u>(ii) Other Funds (Share Application Money)</u></b>		
Balance at the Beginning of the Year	-	-
Application Money Received	260.00	9,100.00
Shares Alloted	260.00	9,100.00
Balance at the End of the Period	-	-
<b><u>(iii) Retained Earnings</u></b>		
Balance at the Beginning of the Year	3,459.89	4,366.99
Net Profit for the Period	13,653.65	7,922.21
Transfer To Self Insurance Reserve	129.15	220.51
Transfer from self insurance Reserve	567.35	
Interim Dividend Paid	7,988.08	4,922.45
Tax On Interim Dividend	-	1,011.83
Final Dividend paid	3,317.63	2,218.50
Tax on Final Dividend	-	456.02
Balance at the End of the Period	6,246.03	3,459.89
<b>Total</b>	<b>6,246.59</b>	<b>3,898.65</b>

### **# Self-Insurance Reserve**

"Self-insurance reserve is created @ 0.12% p.a (@ 0.12% p.a previous year) on original Gross block of Property Plant and Equipment except assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The accumulated amount of Self-insurance reserve to the extent of ₹ 567.35 lakhs has been transferred to Retained Earnings as the entire Gross block of Property Plant and Equipment's are covered under external insurance policy from 01.11.2020."

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 14/Borrowings

(₹ in Lakh)

Description	As at 31st March 2021	As at 31st March 2020
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### Term Loan From Others

#### Rupee Loans (Unsecured)

Loan From M/s Power Grid Corp. of India Ltd. (Holding Co.)

1,30,050.00      1,36,650.00

Less: Current Maturities of Loan

1,30,050.00      9,700.00

#### Total

-      **1,26,950.00**

### Further Note -

1) The Inter Corporate Loan is provided by the Holding Company on cost to cost basis. The various sources of loans being extended to the company by Holding company are Fixed interest and floating interest rate which get reset periodically.

2) There has been no default in repayment of loan or payment of interest thereon as at the end of the period.

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 15/Deferred tax liabilities (Net)

(₹ in Lakh)

Description	As at 31st March 2021	As at 31st March 2020
<b>Deferred Tax Liability</b>		
Difference in book Depreciation and Tax Depreciation	15,923.92	19,107.24
<b>Deferred Tax Liability (A)</b>	<b>15,923.92</b>	<b>19,107.24</b>
<b>Deferred Tax Assets</b>		
Unused Tax Losses (Income Tax Loss)	5,748.71	13,156.48
Unused Tax Credits (MAT Credit Entitlement)	-	3,933.73
Provisions	1.17	-
<b>Deferred Tax Assets (B)</b>	<b>5,749.88</b>	<b>17,090.21</b>
<b>Net Deferred Tax Liability (Net) (A-B)</b>	<b>10,174.04</b>	<b>2,017.03</b>

### Movements in Deferred Tax Liabilities

(₹ in Lakhs)

	Property, Plant and Equipment	Total
<b>As at 31st March 2019</b>	<b>16,482.23</b>	<b>16,482.23</b>
Charged/(Credited)		
- to Profit or Loss	2,625.01	2,625.01
<b>As at 1st April 2020</b>	<b>19,107.24</b>	<b>19,107.24</b>
Charged/(Credited)		
- to Profit or Loss	3,183.32	3,183.32
<b>As at 31st March 2021</b>	<b>15,923.92</b>	<b>15,923.92</b>

### Movements in Deferred Tax Assets

(₹ in Lakhs)

	Unused Tax Losses	Provisions	MAT Credit	Total
<b>As at 31st March 2019</b>	<b>(13,811.27)</b>	<b>0.00</b>	<b>(1,976.51)</b>	<b>(15,787.78)</b>
Charged/(Credited)				
- to Profit or Loss	654.79	-	(1,957.22)	(1,302.43)
<b>As at 1st April 2020</b>	<b>(13,156.48)</b>	<b>0.00</b>	<b>(3,933.73)</b>	<b>(17,090.21)</b>
Charged/(Credited)				
- to Profit or Loss	7,407.77	(1.17)	3,933.73	11,340.33
<b>As at 31st March 2021</b>	<b>(5,748.71)</b>	<b>(1.17)</b>	<b>-</b>	<b>(5,749.88)</b>

### Amount taken to Statement of Profit and Loss

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Increase/(Decrease) in Deferred Tax Liabilities	(3,183.32)	2,625.01
(Increase)/Decrease in Deferred Tax Assets	11,340.33	(1,302.43)
<b>Net Amount taken to Statement of Profit and Loss</b>	<b>8,157.01</b>	<b>1,322.58</b>

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 16/Trade Payables

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
For Goods and Services		
(i) Total Outstanding dues of Micro enterprises & Small enterprises	-	-
(ii) Total Outstanding dues of creditors other than Micro enterprises & Small enterprises		
a. Payable to holding Company	-	31.07
b. Others	9.56	1.70
<b>Total</b>	<b>9.56</b>	<b>32.77</b>

### Further Note :

Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 33.

Refer note no 36 for disclosure on Related party transactions.

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 17/Other Current Financial Liability

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>A) Current maturities of long term borrowings</b>		
Rupee Term Loan (Unsecured)		
Loan From Related Parties- #M/s Power Grid Corporation of India Ltd. (Holding Co.)	1,30,050.00	9,700.00
	<b>1,30,050.00</b>	<b>9,700.00</b>
<b>B) Others</b>		
i) Dues for Capital Expenditure	183.30	314.16
ii) Deposits/Retention money from contractors and others.	58.67	190.72
iii) Related parties *	6.52	104.73
iv) Others	0.39	0.53
	<b>248.88</b>	<b>610.14</b>
<b>Total</b>	<b>1,30,298.88</b>	<b>10,310.14</b>

### Further Note :

Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 33.

#The entire Inter Corporate Loan from holding company has been classified as Current as the Company has entered into a new credit arrangement with POWERGRID Infrastructure Investment Trust (PGInvIT) for funding of its obligations and repaid its entire Inter Corporate Loan from Holding company on 13.05.2021.

\* Refer note no 35 for disclosure on Related party transactions.



# POWERGRID PARLI TRANSMISSION LIMITED

## Note 18/Other Current Liabilities

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Statutory Dues	2.42	41.34
<b>Total</b>	<b>2.42</b>	<b>41.34</b>

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 19/ Provisions

(₹ in Lakh)		
Description	As at 31st March 2021	As at 31st March 2020
<b>Provision Others</b>		
As per Last Balance Sheet	1.58	27.18
Additions during the period	19.42	2.14
Paid/(Adjustments) during the period	19.53	27.74
Closing Balance	1.47	1.58
<b>Total</b>	<b>1.47</b>	<b>1.58</b>

### Further Note :

Provision includes Audit & Professional fees ₹ 1.47 Lakh (Previous Year ₹ 1.58 Lakh).

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 20/ Current Tax Liabilities (Net)

(₹ in Lakh)

Description	As at 31st March 2021	As at 31st March 2020
<b>Taxation (Including Interest on Tax )</b>		
As per last balance sheet	3,933.87	1,976.65
Additions during the period	-	1,957.22
Adjusted during the period	1,957.36	-
<b>Closing Balance</b>	<b>1,976.51</b>	<b>3,933.87</b>
Net off with Advance Tax Paid (Note 6)	1,976.51	3,933.87
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 21/Revenue From Operations

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>Sale of Services</b>		
Transmission Charges	35,414.76	32,729.38
<b>Total</b>	<b>35,414.76</b>	<b>32,729.38</b>

### Further Note :

"The company has recognised transmission income during the year amounting to ₹ 2618.70 lakh based on CERC Order no.265/MP/2020 Dated 25.01.2021 for admitting the claim made by the Company to revise the Tariff due to increased capital cost because of Change in Law."

Refer note 43 for Disclosure as per Ind AS 115 " Revenue from Contracts with Customers".

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 22/Other Income

(₹ in Lakh)		
Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Surcharge	604.70	317.47
Provisions written back	-	0.06
Miscellaneous income#	0.60	0.42
Interest Income	20.06	-
Others*	-	0.84
	625.36	318.79
<b>Total</b>	<b>625.36</b>	<b>318.79</b>

# Miscellaneous Income includes ₹ 0.23 Lakhs (Previous Year ₹ Nil Lakhs) towards Liquidated Damages recovered from Suppliers/Contractors and ₹ 0.37 Lakhs (Previous Year ₹ 0.42 Lakhs) towards rebate on RLDC Fees and Charges.

\* Others includes ₹ Nil Lakhs (Previous Year ₹ 0.84 Lakhs) towards Interest Income from Income Tax Assessment.

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 23/Finance Costs

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>A) Interest and finance charges on financial liabilities at amortised cost</b>		
Interest on Loan From Holding Co. (M/s Power Grid Corp. of India Ltd.)	9,947.12	11,092.91
<b>B) Other Finance charges</b>		
Others	1.03	0.10
	9,948.15	11,093.01
<b>Total</b>	<b>9,948.15</b>	<b>11,093.01</b>

### Further Note -

Refer note 35 for Disclosure on Related Parties Transactions.

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 24/Depreciation and Amortization Expense

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Depreciation of Property, Plant and Equipment	4,735.57	9,631.03
Amortization of Intangible assets	25.31	48.94
<b>Total</b>	<b>4,760.88</b>	<b>9,679.97</b>

### Further Notes:-

Up to year ended 31st March 2020, the Company has been charging depreciation as per the rates and methodology notified by CERC Tariff Regulations. During the year ended 31st March 2021, the Company has conducted operational efficiency review of its plant and based on the technical evaluation performed, the Company has reassessed the useful life, residual value and methodology of depreciation of items of Property, Plant & Equipment (PP&E) and Intangible Assets. As per the technical evaluation, the useful life of plant and machinery - substation is increased by 10 years from earlier 25 years; the pattern of consumption of economic benefits is assessed as straight line basis over the period of respective useful life; and estimated residual value of items of Property, Plant & Equipment (PP&E) is assessed as 5% in line with the Companies Act, 2013.

The above change in useful lives, residual value and method of depreciation is considered as change in accounting estimate and accordingly, the Company has charged the depreciation in the year ended 31st March 2021, based on revised useful lives on straight line basis prospectively. This has resulted in decrease in depreciation for the year ended 31 March 2021 by an amount of Rs.4,969.30 Lakhs with corresponding increase in Profit Before Tax and also lead to overall increase in depreciation by an amount of Rs. 9,169.29 Lakhs over the remaining useful life of assets due to reduction in residual value.

# POWERGRID PARLI TRANSMISSION LIMITED

## Note 25/Other Expenses

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
R&M Sub Station	160.29	157.05
R&M Transmission Lines	793.22	775.99
Legal Expenses	0.21	0.43
Professional Charges	1.05	1.48
Others	1.03	-
System & Market Op. Charges	25.06	27.47
<b>Payments to Statutory Auditors</b>		
Audit Fees	0.88	1.00
Tax Audit Fees	0.15	0.18
In Other Capacity	-	-
Out of Pocket Expenses	-	-
	<b>1.03</b>	<b>1.18</b>
Cost Audit and Physical verification Fees	0.30	0.30
CERC petition & Other charges	34.91	37.86
Miscellaneous expenses	0.02	0.57
Power Charges	49.82	-
Rates and Taxes	2.05	7.03
Transit accomodation expenditure	-	2.67
Security Expense	54.42	-
Insurance	213.75	
Exp on Corporate Social Responsibility	135.83	61.15
<b>Provisions for</b>		
Doubtful loans, advances, debts, claims etc.	4.66	-
	<b>1,477.65</b>	<b>1,073.18</b>
<b>Total</b>	<b>1,477.65</b>	<b>1,073.18</b>

### Further Note :

Breakup of Related Parties is provided in Note 35.



## 26. Exceptional and Extraordinary items

There are no exceptional and extraordinary items as at the Balance Sheet date.

## 27. Party Balances and Confirmations

- a. Balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.
- b. In the opinion of the management, the value of any of the assets other than Property, Plant & Equipment and non-current investments on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

28. POWERGRID (Holding Company) in the capacity of CTU is entrusted with the job of centralized Billing, Collection and Disbursement (BCD) of transmission charges on behalf of all the IST licencees. Accordingly CTU is raising bills for transmission charges to DICs on behalf of IST licencees. The debtors and their recovery are accounted based on the list of DICs given by CTU.

## 29. Auditors Remuneration

(₹ in Lakh)			
S. No.	Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
1	Audit Fees	0.88	1.00
2	Tax Audit	0.15	0.18
	<b>Total</b>	<b>1.03</b>	<b>1.18</b>

## 30. Employee Benefits

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges for maintenance of Transmission Line as per the agreement. Since there are no employees in the company, the obligation as per Ind-AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

## 31. Leases

The company does not have any lease arrangements either as a lessor or lessee therefore Ind AS 116 "leases" does not apply to the company."

## 32. Corporate Social Responsibilities (CSR) :

As per section 135 of the Companies Act, 2013, along with Companies (Corporate Social Responsibility Policy) Rules, 2021 read with DPE guidelines no F.N0.15 (13)/2013-DPE (GM),

the Company is required to spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in accordance with its Corporate Social Responsibility Policy.

The details of CSR expenses for the year are as under :-

(₹ in Lakh)

S No	Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
A.	Amount required to be spent during the year	135.83	61.15
B.	Amount spent on CSR -		
(i)	Construction or acquisition of any asset	-	-
(ii)	On purpose other than (i) above	135.83	61.15
C.	Shortfall / (Excess) amount appropriated from CSR reserve	-	-
D.	Break-up of the amount spent on CSR	-	-
D.1	Measures for the Benefit of Armed Force	-	60.94
D.2	PM CARES Fund for COVID-19	132.83	0.21
D.3	Education	3.00	-
	<b>Total Amount spent on CSR</b>	<b>135.83</b>	<b>61.15</b>
	Amount spent in Cash out of above	135.83	61.15
	Amount yet to be spent in Cash	-	-

### 33. MSME Payments :

Based on information available with the company, there are few supplier's/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in Lakh)

Sr. No	Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	Nil Nil	Nil Nil
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil

3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

### 34. Fair Value Measurements

**Assets and Liabilities which are measured at amortised cost for which Fair values are disclosed**

(₹ in Lakh)

	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
<b>Financial Instruments by category</b>	<b>Amortised Cost</b>	<b>Amortised Cost</b>
<b><u>Financial Assets</u></b>		
Trade Receivables	3,097.04	4,312.81
Cash & cash Equivalents	5,057.29	215.68
Other Current Financial Assets	5,964.76	3,362.25
<b>Total Financial assets</b>	<b>14,119.09</b>	<b>7,890.74</b>
<b><u>Financial Liabilities</u></b>		
Trade Payables	9.56	32.77
Borrowings	1,30,050.00	1,36,650.00
Other Current Financial Liabilities	248.88	610.14
<b>Total financial liabilities</b>	<b>1,30,308.44</b>	<b>1,37,292.91</b>

#### (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An Explanation of each level follows underneath the table.

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
Financial Assets		-	-
Total Financial Assets		-	-
Financial Liabilities Borrowings	2	1,30,050.00	1,35,167.84
Total financial liabilities		1,30,050.00	1,35,167.84

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

## (iii) Fair value of financial assets and liabilities measured at amortized cost

(₹ in Lakh)

	As on 31 <sup>st</sup> March, 2021		As on 31 <sup>st</sup> March, 2020	
Particulars	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets	-	-	-	-

<b>Total Financial Assets</b>	-	-	-	-
<b>Financial Liabilities</b> Borrowings(including current maturity of long term borrowings)	1,30,050.00	1,30,050.00	1,36,650.00	1,35,167.84
<b>Total financial liabilities</b>	<b>1,30,050.00</b>	<b>1,30,050.00</b>	<b>1,36,650.00</b>	<b>1,35,167.84</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other current financial assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### 35. Related party Transactions

#### (a) Holding Company

Name of entity	Place of business / country of incorporation	Proportion of Ownership Interest	
		As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
Power Grid Corporation of India Limited*	India	100%	100%

\*Power Grid Corporation of India Limited cease to be its Holding Company w.e.f. 13.05.2021 as it relinquished its control of the Company through transfer of 74% Equity Shares of the Company to POWERGRID Infrastructure Investment Trust (PGInvIT).

#### (b) Subsidiaries of Holding Company

Name of entity	Place of business / Country of incorporation	Proportion of Ownership Interest	
		As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
Powergrid Vizag Transmission Limited	India	NA	NA
Powergrid NM Transmission Limited	India	NA	NA
Powergrid Unchahar Transmission Limited	India	NA	NA
Powergrid Kala Amb Transmission Limited	India	NA	NA
Powergrid Jabalpur Transmission Limited	India	NA	NA
Powergrid Warora Transmission Limited	India	NA	NA
Powergrid Southern Interconnector Transmission System Limited	India	NA	NA
Powergrid Vemagiri Transmission Limited	India	NA	NA
Powergrid Medinipur Jeerat Transmission Limited	India	NA	NA
Powergrid Mithilanchal Transmission Limited (Erstwhile ERSS XXI Transmission Limited)	India	NA	NA

Powergrid Varanasi Transmission System Limited (Erstwhile WR-NR Power Transmission Limited)	India	NA	NA
Powergrid Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited)	India	NA	NA
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India	NA	NA
Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India	NA	NA
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India	NA	NA
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India	NA	NA
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India	NA	NA
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India	NA	NA
Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	India	NA	NA
Central Transmission Utility of India Limited <sup>1</sup>	India	NA	NA
Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited) <sup>2</sup>	India	NA	NA
Jaypee Powergrid Limited <sup>3</sup>	India	NA	NA
Bikaner-II Bhiwadi Transco Limited <sup>4</sup>	India	NA	NA

<sup>1</sup> Incorporated on 28.12.2020.

<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 09.03.2021.

<sup>3</sup> Wholly owned subsidiary from 25.03.2021 (Joint venture till 24.03.2021).

<sup>4</sup> 100% equity acquired from PFC Consulting Limited on 25.03.2021.

**(c) Joint Ventures of Holding Company -**

Name of entity	Place of business / Country of incorporation	Proportion of Ownership Interest	
		As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
Powerlinks Transmission Limited	India	NA	NA
Torrent Power Grid Limited	India	NA	NA
Jaypee POWERGRID Limited <sup>1</sup>	India	NA	NA
Parbati Koldam Transmission Company Limited	India	NA	NA
Teestavalley Power Transmission Limited <sup>2</sup>	India	NA	NA
North East Transmission Company Limited	India	NA	NA
National High Power Test Laboratory Private Limited	India	NA	NA

Bihar Grid Company Limited	India	NA	NA
Kalinga Bidyut Prasaran Nigam Private Limited <sup>3</sup>	India	NA	NA
Cross Border Power Transmission Company Limited	India	NA	NA
RINL POWERGRID TLT Private Limited <sup>4</sup>	India	NA	NA
Power Transmission Company Nepal Ltd	Nepal	NA	NA

<sup>1</sup> Joint venture till 24.03.2021 (Wholly owned subsidiary from 25.03.2021).

<sup>2</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

<sup>3</sup> The present status of the Company (M/s KBPNL) as per MCA website is "Strike Off".

<sup>4</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 01.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.

#### **(d) Key Management Personnel**

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Date of Separation</b>
Smt. Seema Gupta*	Chairperson (Part-Time)	23/03/2018	-
Shri Anantha Sarma Bopuddi*	Additional Director (Part-Time)	30/11/2020	-
Shri S. Ravindar Kumar	Additional Director (Part-Time)	21/01/2021	-
Shri Purshottam Agarwal *	Director (Part-Time)	30/07/2020	-
M. Taj Mukarrum*	Director (Part-Time)	17/09/2018	28/07/2020
Shri N.K. Ohdar*	Director (Part-Time)	19/12/2019	31/07/2020
Shri Abhay Choudhary*	Director (Part-Time)	31/07/2019	08/12/2020
Shri Arunasis Basu	CFO	02/08/2018	-
Smt Shikha Gupta	Company Secretary	02/08/2018	01/12/2020

\*Part time directors not the KMP of Company.

**(e) Transactions with related parties**

The following transactions occurred with related parties:

(₹ in Lakh)		
Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Power Grid Corporation of India Ltd. (Holding Company)</b>		
Consultancy Charges (excluding Taxes)*	816.40	1,369.48
Reimbursement of BG Charges (Excluding Taxes)	Nil	12.23
Reimbursement of Insurance Charges	513.00	Nil
Reimbursement of Security Expenses (Excluding Taxes)	38.87	Nil
Reimbursement of Electricity Expenses	41.80	Nil
Reimbursement of Security Deposit against Electricity Connection	6.52	Nil
Repayment of Loan	6,600.00	10,900.00
Additional Loan obtained during the year	Nil	Nil
Investments Received during the year (Equity/Share application Money)	260.00	9,100.00
Interest on Loan	9,947.12	11,092.91
Dividend Paid	11,305.71	7,140.95

\* Bifurcation of Consultancy Charges (excluding Taxes) paid to Holding Company is as below:-

(₹ in Lakhs)		
Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Consultancy charges related to Construction of Company	8.40	580.48
Consultancy charges related to Operation & Maintenance of Company	808.00	789.00

**(f) Outstanding balances arising from sales/purchases of goods and services**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(₹ in Lakh)		
Particulars	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
<b>Power Grid Corporation of India Ltd. (Holding Company)</b>		
Purchases of goods and services – O&M Maintenance / Consultancy	Nil	135.79
Reimbursement for payment of expenses/Security Deposits made by Holding Company	6.52	Nil
Loans from Holding Company	1,30,050.00	1,36,650.00



### 36. Segment Information

#### Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segments have been identified on the basis of product/services. The company has a single reportable segment i.e., Power transmission network for transmission system.

The operations of the company are mainly carried out within the country and therefore there is no reportable geographical segment.

### 37. Contingent Liabilities and contingent assets

#### Contingent Liabilities

Claims against the Company not acknowledged as debts in respect of:

#### **Disputed Income Tax/Sales Tax/Excise/Municipal Tax/Entry Tax Matters**

##### (a) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ 0.12 Lakh (Previous Year 0.12 Lakh) has been estimated.

##### (b) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹ 25.79 Lakh (Previous Year ₹ 25.79 Lakh) has been estimated.

##### (c) Others

Other contingent liabilities amounts to ₹ 526.88 Lakh (Previous Year ₹ 73.05 Lakh) related to arbitration cases/RoW cases.

### 38. Capital and Other Commitments

(₹ in Lakh)		
Particulars	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	Nil	139.17

### 39. Capital management

#### **a) Risk Management**

The company's objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

The debt – equity ratio of the Company was as follows :

Particulars	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
Long term debt (₹ in lakhs)*	1,30,050.00	1,36,650.00
Equity (₹ in lakhs)	38,456.59	35,848.65
Long term debt to Equity ratio	77:23	79:21

\* Long term debt includes current maturities of long term debt.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020.

#### b) Dividends

Particulars	(₹ in Lakh)	
	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
Interim dividend for the year ended 31 <sup>st</sup> March 2021 is ₹ 2.48 (31 <sup>st</sup> March 2020 of ₹ 1.63) per fully paid share	7,988.08	4,922.45
Final dividend for the year ended 31 <sup>st</sup> March, 2020 of ₹ 1.03 (31 <sup>st</sup> March, 2019 of ₹ 0.90) per fully paid share.	3,317.63	2,218.50

#### 40. Earnings per share

(a) Basic and diluted earnings per share attributable to the equity holders of the company	(Amount in ₹)	
	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
Basic and diluted earnings per share attributable to the equity holders of the company from Continuing operations	4.25	2.96

(b) Reconciliation of earnings used as numerator in calculating earnings per share	(₹ in Lakh)	
	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
Total Earnings attributable to the equity holders of the company	13,653.65	7,922.21

(c) Weighted average number of shares used as the denominator	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
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Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	32,11,46,575	26,73,22,404
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#### **41. Financial Risk Management:**

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees, trade payables and other payables. The Company identifies, evaluates and manages Financial risks in close co-operation with the Company's operating Units. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.

The Company's principal financial assets include, trade and other receivables, and cash and cash equivalents that are generated from its operations.

The Company's activities expose it to the following financial risks, namely,

- a) Credit risk,
- b) Liquidity risk,
- c) Market risk.

This note presents information regarding the company's exposure, objectives, policies and processes for measuring and managing these risks.

The management of financial risks by the Company is summarized below:-

##### **A) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables.

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

##### **(i) Trade Receivables and Unbilled Revenue**

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. CERC tariff regulations allows payment against monthly bills towards transmission charges within a period of 45 days from the date of the bill and levy of charge on delayed payment beyond 45 days. A graded rebate is provided by the company for payment made within 45 days.

Trade receivables consist of receivables relating to transmission services of ₹ 3,101.70 Lakh as on 31st March 2021 (₹ 4,312.81 Lakh as on 31st March, 2020).

Unbilled revenue primarily relates to companies right to consideration for work completed but not billed at the reporting date and have substantially same risk characteristics as the trade receivables for the same type of contract.

**(ii) Other Financial Assets (excluding trade receivables and unbilled revenue)**

• **Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 5,057.29 Lakh as on 31<sup>st</sup> March, 2021 (₹ 215.68 Lakh as on 31<sup>st</sup> March, 2020). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

○ **Exposure to credit risk**

(₹ in Lakh)		
Particulars	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Cash and cash equivalents	5,057.29	215.68
Other current financial assets	0.05	0.02
<b>Total</b>	<b>5,057.34</b>	<b>215.70</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade Receivables	3,101.70	4,312.81
Unbilled Revenue	5,964.71	3,362.23
<b>Total</b>	<b>9,066.41</b>	<b>7,675.04</b>

○ **Provision for expected credit losses**

**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables and unbilled revenue) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore expected credit loss provision is not required.

**(b) Financial assets for which loss allowance is measured using life time expected credit losses**

The Company has customers most of whom are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 30 days past due date are still collectible in full, based on the payment security mechanism in place and historical payment behavior. Considering the above factors and the prevalent regulations, the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

**(c) Ageing analysis of trade receivables**

The ageing analysis of the trade receivables is as below:

(₹ in Lakh)							
Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31 <sup>st</sup> March, 2021	-	1,255.92	1,129.50	166.40	57.28	492.60	3,101.70
Gross carrying amount as on 31 <sup>st</sup> March, 2020	-	1,775.01	810.25	401.57	268.78	1,057.20	4,312.81

**(d) Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in Lakh)	
Particulars	Trade receivables
<b>Balance as at 01.04.2019</b>	-
Impairment loss recognized/reversed	-
Amounts written off	-
<b>Balance as at 31.03.2020</b>	-
Impairment loss recognized/reversed	4.66
Amounts written off	-
<b>Balance as at 31.03.2021</b>	<b>4.66</b>

Based on the historic default rates, the company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

**B) Liquidity risk**

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement with Holding Company for funding of its obligations at the end of reporting period. The Company has entered into a new credit arrangement with POWERGRID Infrastructure Investment Trust (PGInvIT) for funding of its obligations and to repay its entire Inter Corporate Loan from Holding company on 13.05.2021.

**(i) Financing Arrangements**

The company had access to the borrowing facilities with the Parent Company as per Agreement at the end of the reporting period. The Company has entered into a new credit arrangement with POWERGRID Infrastructure Investment Trust (PGInvIT) for funding of its obligations and to repay entire Inter Corporate Loan from Holding company on 13.05.2021.

**(ii) Maturities of financial liabilities**

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakh)

<b>Contractual maturities of financial liabilities</b>	<b>Within a year</b>	<b>Between 1-5 years</b>	<b>Beyond 5 years</b>	<b>Total</b>
<b>As on 31<sup>st</sup> March, 2021</b>				
Borrowings (including interest outflows)	1,31,140.70	-	-	1,31,140.70
Trade Payables	9.56	-	-	9.56
Other Current Financial Liabilities	248.88	-	-	248.88
<b>Total</b>	<b>1,31,399.14</b>	<b>-</b>	<b>-</b>	<b>1,31,399.14</b>

<b>As on 31<sup>st</sup> March, 2020</b>				
Borrowings (including interest outflows)	18,421.09	73,699.75	1,43,437.30	2,35,558.14
Trade Payables	32.77	-	-	32.77
Other Current financial liabilities	610.14	-	-	610.14
<b>Total</b>	<b>19,064.00</b>	<b>73,699.75</b>	<b>1,43,437.30</b>	<b>2,36,201.05</b>

### **C) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk:

- i. Currency risk
- ii. Interest rate risk

#### **i) Currency risk**

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration foreign currency.

#### **ii) Interest rate risk**

The company has taken borrowings from Parent Company on cost to cost basis. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings. The various sources of loans being extended to the company by parent company are Fixed interest and floating interest rate which get reset periodically. The Company manages the interest rate risks by maintaining a debt portfolio of fixed and floating rate borrowings.

Further, the company has taken borrowings from PGInVIT at the fixed rate and made full repayment of the Loan from Holding company on 13.05.2021. The Company is not exposed to interest rate risk as the cash flows associated with fixed rate borrowings.

## 42. Income Tax expense

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to The Company's tax positions.

### (a) Income tax expense –

(₹ in Lakh)		
Particulars	As on 31st March, 2021	As on 31st March, 2020
<u>Current Tax</u>		
Current tax on profits for the year	-	1,957.22
Adjustments for current tax of prior periods	(1,957.22)	-
<b>Total current tax expense (A)</b>	<b>(1,957.22)</b>	<b>1,957.22</b>
<u>Deferred tax expense</u>		
Originating and reversal of temporary differences	8,157.01	1,322.58
<b>Total deferred tax expense /(benefit) (B)</b>	<b>8,157.01</b>	<b>1,322.58</b>
<b>Income tax expense (A+B)</b>	<b>6,199.79</b>	<b>3,279.80</b>

Current tax is reckoned based on the current year's income and tax payable thereon in accordance with the applicable tax rates as per the prevailing tax laws.

The company had made a tax provision of ₹ Nil for year ended 31<sup>st</sup> March, 2021 (for the Year FY 2019-20 ₹ 1,957.22 Lakh) towards current tax. Last year tax provision amounting to ₹ 1,957.22 Lakhs is reversed during Financial Year 2020-21 due to adoption of new tax regime u/s Sec. 115BAA of Income tax.

In accordance with Ind-AS 12 on Accounting for Taxes on Income, the Company has computed Deferred Tax Asset /(Liability) amounting to ₹ (10,174.04) Lakh for year ended 31<sup>st</sup> March, 2021 (for the year FY 2019-20 ₹ (2,017.03) Lakh) on account of timing difference in relation to depreciation as per books vis.a.vis Tax Laws and unused tax losses.

### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: -

(₹ in Lakh)		
Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Profit Before Tax	19,853.44	11,202.01
Tax using company's domestic Tax Rate i.e. 25.168% (Previous Year @ 29.12%)	4,996.71	3,262.03

Tax Effect of :		
Non deductible tax expenses	1,233.58	-
Tax exempt income	-	-
Tax deductible expenses	(4,537.56)	
Previous years tax liability	(1,957.22)	-
Unabsorbed tax loss	(1,692.73)	
Minimum Alternate Tax adjustments	-	(1,304.81)
Deferred Tax	8,157.01	1,322.58
<b>Tax Expenses recognise in statement of Profit &amp; Loss</b>	<b>6,199.79</b>	<b>3,279.80</b>

#### 43. Disclosure on Ind AS 115 "Revenue from Contracts with Customers"

The following table discloses the movement in unbilled revenue during the year ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

(₹ in Lakh)

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Balance at the beginning	3,362.23	3,307.13
Add: Revenue recognised during the year	5,964.71	3,362.23
Less: Invoiced during the year	3,362.23	3,307.13
Less: Impairment/reversal during the year	-	-
Add: Translation gain/(Loss)	-	-
<b>Balance at the end</b>	<b>5,964.71</b>	<b>3,362.23</b>

The Company does not have any contract liability during the year ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of revenue recognized vis-a-vis revenue recognized in profit or loss statement is as follows :

(₹ in Lakh)

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Contracted price	34,277.36	31,737.91
Add/ (Less)- Discounts/ rebates provided to customer	(119.56)	(115.71)



Add/ (Less)- Performance bonus	1,256.96	1,107.18
Add/ (Less)- Adjustment for significant financing component	-	-
Add/ (Less)- Other adjustments	-	-
Revenue recognized in profit or loss statement	35,414.76	32,729.38

A provision of ₹ 4.66 Lakh (Previous Year ₹ Nil Lakh) has been created in the current financial year against trade receivables and unbilled debtors outstanding as on 31.03.2021 from a few customers and revenue from transmission and surcharge thereon amounting to NIL has not been recognized during the year due to uncertainty of collection of consideration in line with Ind AS 115 'Revenue from Contracts with Customers'.

#### **44. A) Disclosure on Covid-19 Impact**

The company is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability. As per the Government of India guidelines, transmission units and services fall under the category of essential services and exempted from lockdown.

The company has considered various internal and external information available up to the date of approval of Financial Results and there has been no material impact on the operations of the company for the year ended 31st March 2021. The company will continue to monitor any material changes to future economic conditions.

#### **B) Recent Pronouncements**

The Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, has amended Division II of Schedule III of the Companies Act, 2013 w.e.f. April 1, 2021. The Company will assess and implement the amendments to Division II in FY 2021-22, as applicable.

45. a) Figures have been rounded off to nearest rupee in lakh up to two decimal.
- b) The previous year figures have been reclassified/re-grouped to confirm to the current year's classification.

As per our report of even date attached.

For Shabbir Bohra & Co  
ICAI FRN : 125441W  
Chartered Accountants  
UDIN:- 21030887AAAABS6823

SHABBIR  
ISMAIL BOHRA

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CA Shabbir Ismail Bohra  
Partner  
Membership No. 030887  
Place: Nagpur

For and on behalf of Board of Directors

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Gupta

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Seema Gupta  
(Chairperson)  
DIN: 06636330  
Place: Gurugram

Purshotta  
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Purshottam Agarwal  
(Director)  
DIN: 08812158  
Place: Gurugram

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A Basu  
(Chief Financial Officer)  
Place: Nagpur

## POWERGRID Parli Transmission Limited

(A 100% Subsidiary of Power Grid Corporation of India Ltd.)

Corporate Office: - Sampri Nagar, Nari Ring Road, Uppalwadi, Nagpur-440026

Ref: PPTL/F&A/2020-21/

Dated: - 08.06.2021

### CERTIFICATE

This is to certify that, Financial Results of **M/s POWERGRID Parli Transmission Limited** for the Financial Year ended 31<sup>st</sup> March 2021, does not contain any false or misleading statement or figure and do not omit any material fact which may make the statement or figures contained therein misleading.

Seema  
Gupta  
(Seema Gupta)  
Chairperson

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by Seema Gupta  
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(A. Basu)

CFO

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**POWERGRID Parli Transmission Limited**

### **Report on the Ind-AS Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID Parli Transmission Limited ("the Company")**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, and the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to financial statement including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a True and Fair view in conformity with the Accounting Principles generally accepted in India including the Ind AS, of the state of affairs (Financial Position) of the Company as at 31<sup>st</sup> March 2021, and its Profit including Other Comprehensive Income, its Cash Flows and the Changes in Equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standard on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS



financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a True and Fair view of the Financial Position, Financial Performance including other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the Accounting Principles Generally Accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless



management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143 (11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure "B"** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under.
  - e. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.
  - f. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in **Annexure "C"**.



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- refer Note-37 to the financial statement;
  - ii. The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Shabbir Bohra & Co.,  
Chartered Accountants,  
Firm Regn No. 125441W  
UDIN: 21030887AAAABS6823

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ISMAIL BOHRA

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CA Shabbir Ismail Bohra  
Partner  
Mem. No. 030887  
Dated: - 08.06.2021  
Place: - Nagpur



**Annexure - "A"**

As referred to in our Independent Auditors' Report to the members of the **M/s POWERGRID Parli Transmission Limited ('the Company')**, on the Financial Statements for the Year Ended 31<sup>st</sup> March 2021, we report that:

		<b>Clauses of CARO Report, 2016</b>	<b>Auditor's Comment</b>
(i)	(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
	(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes, Assets has been physically verified reasonable time intervals. No material discrepancy noticed during the physical verification of Fixed Assets
	(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Title Deeds of Land Purchased are held in the Name of the Company.
(ii)		Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes, Inventories has been physically verified at reasonable time intervals. No material discrepancy noticed during the physical verification of Inventories
(iii)		Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The Company has not granted any Loans to any parties Covered under section 189 of the Companies Act, 2013.
	(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.	Not Applicable

(b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Not Applicable
(c)	If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.	Not Applicable
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	According to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of the Order is not applicable
(v)	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The company has not accepted any deposits from Public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposits ) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained	Company is required to maintain Cost Records specified by Central Government u/s 148 (1) of the Companies Act, 2013. We have reviewed these record and are of the opinion that the prescribed account and record have been made & maintained.
(vii)	Whether the company is regular in depositing undisputed statutory dues to	According to the information and explanations given to us, the Company is



	<p>the appropriate authorities including:</p> <p>(a) i) Provident fund; ii) Employees' state insurance; iii) Income-tax; iv) Sales-tax; v) Service tax; vi) Duty of customs; vii) Duty of excise; viii) Value Added Tax (VAT); ix) Cess; and x) Any other statutory dues.</p> <p>If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.</p>	<p>regular in depositing undisputed statutory dues with appropriate authorities including Goods and Services tax (GST), Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.</p>
	<p>(b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be Mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).</p>	<p>Based on our audit and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise of Sales Tax which have not been deposited.</p>
<p>(viii)</p>	<p>Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported. (In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.</p>	<p>No Default</p>

(ix)	Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	The company has not raised Money by way of IPO & FPO including debt instruments. However, Loan from holding Company are applied for the purposes for which they are raised.
(x)	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	Based on our audit Procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;	Based on our audit Procedures performed and the information and explanations given by the management, Managerial Remuneration & Other Payments relating to Staff are made from Holding Co. Hence, the clause is Not Applicable.
(xii)	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.
(xiv)	Whether the company has made any	The Company has not made any



		preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
(xv)		Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	Based on our audit Procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)		Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.

For Shabbir Bohra & Co.,  
Chartered Accountants,  
Firm Regn No. 125441W  
UDIN: 21030887AAAABS6823

SHABBIR

ISMAIL BOHRA

Digitally signed by SHABBIR ISMAIL BOHRA  
DN: c=IN, o=Personal, title=7824,  
pseudonym=70b561d4fb75222395c05db3b6  
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postalCode=440002, st=Maharashtra,  
serialNumber=cde54db164236a1f1b2dbae621  
67307bc2a6d110aad5f4eac5218a47794bc3,  
cn=SHABBIR ISMAIL BOHRA  
Date: 2021.06.08 17:48:51 +05'30'

CA Shabbir Ismail Bohra

Partner

Mem. No. 030887

Dated: - 08.06.2021

Place: - Nagpur



**Annexure – “B”**

As referred to in our Independent Auditors’ Report to the Members of the **M/s POWERGRID Parli Transmission Limited (‘The Company’)**, on the Financial Statements for the Year Ended 31<sup>st</sup> March 2021, we Report that:

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor’s reply on action taken on the directions	Impact on financial statement
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, then the implications of accounting transaction outside IT system on the integrity of accounts along with the financial implications, if any, may be stated.	The company is having ERP system (SAP) in place for processing all accounting transactions. No accounting transaction is being recorded/processed otherwise than the ERP system in place.	NIL
2	Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company’s inability to repay the loan ? if yes, the financial impact may be stated.	No Restructuring (Clubbing) of Loan has been done during the year due to multiple rate of interest and different repayment schedule. There is no case of non-repayment/inability to repay the loans has come to our notice and hence restructuring due to company’s inability to repay the loan is not	NIL
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	As per the information and explanation given to us, no funds has been received / receivable for specific schemes from Central/ State agencies.	NIL

For Shabbir Bohra & Co.,  
Chartered Accountants,  
Firm Regn No. 125441W  
UDIN: 21030887AAAABS6823  
**SHABBIR ISMAIL**  
**BOHRA**  
CA Shabbir Ismail Bohra  
Partner  
Mem. No. 030887  
Date: - 08.06.2021  
Place: - Nagpur



**ANNEXURE - "C"**

As referred to in our Independent Auditors' Report to the members of the **M/s POWERGRID Parli Transmission Limited** ("the Company"), on the Financial Statements for the year ended 31<sup>st</sup> March 2021.

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the act")**

We have audited the Internal Financial Controls over Financial Reporting of the company as at 31<sup>st</sup> March 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining Internal Financial Control based on "the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the Design, Implementation and Maintenance of Adequate Internal Financial Controls that were Operating Effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of its assets, the Prevention and Detection of Frauds and Errors, the accuracy and completeness of the Accounting Records, and the Timely Preparation of Reliable Financial Information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the





audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System over Financial Reporting and their Operating Effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgement, including the Assessment of the Risks of Material Misstatement of the Financial Statements, whether due to Fraud or Error.

We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System over Financial Reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for External Purposes in accordance with Generally Accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.





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**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent Limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March 2021, based on "the Internal Financial Controls over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."

For Shabbir Bohra & Co.,  
Chartered Accountants,  
Firm Regn No. 125441W  
UDIN: 21030887AAAABS6823

**SHABBIR  
ISMAIL  
BOHRA**

Digitally signed by SHABBIR ISMAIL BOHRA  
DN: cn=, o=Personal, title=782A,  
pseudonym=70b561d4b7f5222595c05ddb3b  
675d22d917ef4aeaff918425f892e48798f6,  
postalCode=440002, st=Maharashtra,  
serialNumber=cd54db164236a4f1b2d6a662  
167307b2c2a5a614baad04aee52bb947f94bc3,  
cn=SHABBIR ISMAIL BOHRA  
Date: 2021.06.08 17:49:47 +05'30'

Signature:-

CA Shabbir Ismail Bohra

Partner

Mem. No. 030887

Dated: - 08.06.2021

Place: - Nagpur